UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

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OFFICE OF
AIR AND RADIATION

MEMORANDUM

SUBJECT: Determination for Davidson Exterior Trim/Textron

FROM: John S. Seitz, Director
Stationary Source Compliance Division
Office of Air Quality Planning and Standards

TO: Winston A. Smith, Director
Air, Pesticides and Toxics Management Division
Region IV

On October 14, 1988 you forwarded to this division a request regarding the BACT determination for the Davidson Exterior Trim/Textron facility in Georgia. We have coordinated a response to your request with the New Source Review Section in AQMD, the Chemical Application Section in ESD, and the Air Enforcement Division in OECM. The following responses to your questions are provided:

1. Does Davidson Exterior present "unique and convincing" arguments which would justify elimination of add-on spray booth and/or over controls as BACT?

   While Davidson has supplied data on the control cost, cost effectiveness, and percent increase in the cost per unit of product, they have not presented an argument as to why the control cost is unreasonable. It also appears that there are control alternatives available which Davidson has not explored (see response to question 2 & 3 below). Therefore, we agree that Davidson Exterior has failed to make a case for rejecting as BACT the add-on controls in question.

2. Are there other fascia plants which have been required to install both spray booth and oven controls?

   We know of no other fascia plants which have been required to install both spray booth and oven controls. The General

   Motors parts plant in Oshawa, Ontario, Canada has recently installed an exhaust air recirculation and VOC control (incineration) system on the clear coat portion of the fascia spray booths.

3. Has EPA established spray booth and/or oven controls as BACT at fascia painting operations?

   Bake oven exhaust controls have been required in several BACT/LAER permits for fascia painting (Subaru-Isuzu, Dupont, Saturn, etc.). Spray booth exhaust controls have not been required in BACT/LAER permits for fascia painting. The number of controlled spray booths is growing (e.g., automobiles, aerospace, metal parts), and the cost of control is becoming lower with experience and the development and

demonstration of new technologies (e.g., recirculation, control equipment for low VOC concentration exhaust streams). Spray booth exhaust controls, therefore, must receive serious consideration in current and future permitting of fascia painting operations.

4. Were the oven controls installed on the fascia operations at the Subaru/Isuzu facility, located in Lafayette, Indiana, the result of a BACT evaluation or necessitated for some other reason?

The bake oven exhaust controls at Subaru-Isuzu were part of the BACT demonstration.

5. If the arguments presented by Davidson Exterior do not constitute a "unique and convincing" basis for rejection of controls, what would EPA consider to be valid criteria for rejection of the controls?

Three criteria which should be asked when reviewing permits in which more stringent levels of control have been rejected as BACT are discussed below:

i) If another similar source has adopted certain emission controls, why can't this applicant? Where similar units have adopted a particular level of emission control or control technology, the applicant should justify on technical, environmental, or economic ground why they cannot also adopt that particular control system or otherwise meet that level of control. This analysis should focus on the differences (if any) between the two sources (e.g., differences in raw material costs or control costs).

ii) Why is the economic impact of a level of control unreasonable? Where a permit applicant claims that emission control costs are unreasonable, the burden of showing why the cost are unreasonable is on the applicant. Some possible parameters for judging the reasonableness of a control level could be the percent of the total cost of a construction or modification project, cost effectiveness per ton), or percent cost increase per unit of product. Again, other similar sources that have adopted a particular level of control may provide a useful benchmark against which to compare the claimed economic impact of emission controls. However, control cost data and cost effectiveness calculations likely do not, standing alone, provide a convincing argument against adopting a potential BACT level. For example, simply stating that it is infeasible to meet a particular cost per tan of pollutant controlled is not adequate; the reason must be explicity explained to EPA, the permitting agency, and the public. The applicant should look at this cost in terms of typical control cost for other sources of this pollutant. The costs of control for similar sources is addressed in #i above.

iii) Based on the reviewer's experience in reviewing control cost estimates and cost effectiveness calculations for a particular pollutant and source category, do the cost data provided by the applicant seem credible? In other words, are the cost estimates within the range of costs you would expect to see for that particular type of source or pollutant? If a cost or cost effectiveness estimate strikes you as being too high, you should ask the applicant to explain why their emission control costs would be higher than those documented for a similar source.

6. Would Headquarter's support a Section 167 order, issued by Region IV, if it is determined that Davidson Exterior has not installed or proposed to install BACT?

Consistent with the July 15, 1988 guidance on procedures to follow when EPA finds a Deficient New Source Permit, a deficient BACT analysis is cause for expeditious (within 30 days of permit receipt) issuance of a Section 167 order in SIP-approved programs. However, the ultimate decision whether to proceed with enforcement action in this or any other case depends, in large part, upon all the specifics of the particular cases. These include, among

others:

1) The time and manner in which EPA has informed the applicant and the permitting authority of alleged defects in the permit, and of the consequences of a failure to correct those defects.

2) The amount of time between permit issuance and the commencement of enforcement action.

3) whether the applicant has entered into construction contracts, begun actual construction, or otherwise acted in reliance on the State-issued permit.

4) Plus, for SIP-approved States, the content of the State regulations and relevant Federal Register notices.

I apologize for the delay in providing this response. If you have any questions, please contact Gary McCutchen in AQMD (FTS-629-5592) regarding responses #1 & 5, Dave Salman in ESD (FTS-629-5417) regarding responses #2-4, and Sally Farrell of my staff (FTS-382-2875) regarding response #6.

cc: Wayne Aronson, Region IV
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